Supreme Court, U.S.
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IN THE

SUPREME COURT OF THE UNITED STATES

ARTHUR VANMOOR,

Petitioner

v.

WAL-MART STORES, INC., ET AL.

(further respondents listed on page ii)

On Petition for a Writ of Certiorari to the
United States Court of Appeals
for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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3600

QUESTIONS PRESENTED FOR REVIEW

An issued patent is presumed valid. Patent invalidity is an affirmative defense to a patent infringement charge.

1. When the defendant in a patent infringement case claims prior use and sale that would invalidate the patent, does the patentee's allegation of current infringement satisfy the defendant's burden of proving that the products that were the subject of the pre-critical date sales anticipated the claimed invention?

2. Is the "ready for patenting" test of *Pfaff v. Wells Electronics, Inc.*, which dealt with an on-sale bar based on the patentee's own acts, applicable to a case in which the defendants claim anticipation based on prior sale and use?

3. Where Section 282 of the Patent Statutes states that each "claim of a patent . . . shall be presumed valid independently of the validity of other claims," can the court summarily declare an entire patent invalid without reviewing specific claims?

Parties

Rule 14(1)(b) Listing

Petitioner

ARTHUR VANMOOR

Respondents

WAL-MART STORES, INC.

BUILDER'S SQUARE, INC.

HOME DEPOT USA, INC.
(doing business as Home Depot)

RED DEVIL, INC.

SONOCO PRODUCTS COMPANY

FEDERAL PACKAGING CORPORATION

THE GLIDDEN COMPANY

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WAL-MART STORES, INC., ET AL.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Arthur Vanmoor respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The opinion of the court of appeals (App., *infra*, 10a-16a) is reported at 201 F.3d 1363. The order of the district court (App., *infra*, 1a-9a) is unreported, but available online at 1998 U.S. Dist. LEXIS 22694.

JURISDICTION

The court of appeals entered its judgment on January 10, 2000 (App., *infra*, 10a), and denied petitioner's petition for rehearing on March 7, 2000 (App., *infra*, 17a). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

35 U.S.C. § 102 states, in pertinent part:

> A person shall be entitled to a patent unless-
>
> (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States . . . .

35 U.S.C. § 102 (1994).

35 U.S.C. § 282 states, in pertinent part:

> A patent shall be presumed valid. Each claim of a patent (whether in independent, dependent, or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim . . . . The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity . . . .

35 U.S.C. § 282 (1994 & Supp.2000).

STATEMENT

Petitioner Arthur Vanmoor is the owner of United States Letters Patent No. 5,582,331, issued to him on December 10, 1996 based on an application which claimed an international priority of an application in Holland on September 13, 1994. Vanmoor sued defendants Wal-Mart Stores, et al., for patent infringement under 35 U.S.C. § 271 in the United States District Court for the Southern District of Florida on July 28, 1997. Jurisdiction in the federal district court was based on 28 U.S.C. 1338(a). The district court granted the defendants' motion for summary judgment [App., *infra*, 1a-9a] and declared the patent-in-suit invalid and unenforceable. The Court of Appeals for the Federal Circuit affirmed the grant of summary judgment [App., *infra*, 10a-16a].

This case essentially asks what type of proof should be required to invalidate letters patent properly issued by the United States and thus deals with the procedural value of the statutory presumption of validity under Section 282.

This case involves the evidentiary standards applicable in patent cases where the defendants claim anticipation through prior sale and use. The case requires that *The Barbed Wire Cases*, 142 U.S. 275 (1892) be revisited and the proper standards be outlined by this Court upon which a patent may be declared invalid in a situation where a defendant claims prior sale and use and supports the contention only with the affidavits of interested persons and attempts to corroborate the affidavits with written records which, in fact, disprove the content of the affidavits.

As a subordinate matter, the case involves the interpretation of 35 U.S.C. § 282 and the question when a patent may be declared invalid in its entirety as opposed to declaring only certain claims invalid, and whether the rule of *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55 (1998), which dealt with a patenting bar under Section 102(b) based on the patentee's own acts, can be properly applied to a Section

102(a) anticipation scenario, in which the defendant claims that the patented invention had been used and on sale in this country prior to the patentee's invention.

A. Background

The case deals with caulking cartridges that dispense caulking material at the open spout when the plunger inside the tube is pushed forward, toward the spout. The moving plungers of the prior art cartridges had a diameter which was equal to or greater than the inner diameter of the tubes. This "interference fit" between the plunger and the tube ensured that the caulking material was properly sealed inside the cartridge. The cartridges (prior to 1994) had an afterflow problem, i.e., caulking material continued to drip from the open spout even after the plunger was no longer forced forward. Vanmoor's invention broke with that prior art and introduced an improvement. Instead, Vanmoor proposed a plunger with a backwall that has a smaller diameter which would allow the plunger to release the pressure inside the cartridge when the caulking gun no longer pushed the plunger forward. The Commissioner for Patents issued United States Letters Patent No. 5,532,331 (the '331 patent) to him with several claims directed to the improved cartridge.

After his Dutch application was filed in September 1994, Vanmoor disclosed his invention in late 1994 to various manufacturers, including Sonoco Products Company. Sonoco entered into a confidentiality agreement with Vanmoor after expressing great interest in a "no-afterflow" version of the caulking cartridge. The agreement stipulated that the manufacturers would notify Vanmoor if he disclosed to them information which had already been in their possession. No such notification was ever made, but Vanmoor became aware that soon afterwards most of the industry caulking cartridges became dripless.

B. Proceedings Below

Vanmoor brought suit in federal district court, complaining that several companies had started selling caulking cartridges that incorporated his improvement in violation of 35 U.S.C. § 271. The defendants claimed the affirmative patent infringement defense of anticipation based on prior use and sale under 35 U.S.C. § 102. After an amended complaint added leading manufacturers of the accused products, Sonoco Products Company soon emerged as the lead defendant and introduced evidence which tended to show that the patented invention had been in public use and on sale prior to Vanmoor's invention. The evidence consisted of the affidavits of two Sonoco employees and shareholders together with allegedly corroborating papers, including various company-internal specification sheets and invoices that were dated prior to Vanmoor's invention. The defendants averred that they had not made any changes in their production since 1991, years before Vanmoor's disclosure.

No attention was paid to the fact that the supporting drawings and specification sheets in fact proved that the *claimed* invention was *not* on sale before petitioner's priority date and they differed from the later accused products and the patent claims.

The district court granted summary judgment in favor of the defendants [App., *infra*, 9a], holding that the defendants had met their burden with clear and convincing proof, that no issues of material fact were disputed, and that the patent was invalid as a matter of law.

The district court apparently did not review the specification sheets but simply accepted as fact the general statement of the pleadings according to which defendants had not made any changes and what they are currently doing is exactly the same as it has always been done. The court took for granted that no changes were made. If that averment were

true, of course, most of the claims of the '331 patent would indeed be invalid. If the defendants' evidence is reviewed in its entirety, however, it becomes abundantly clear that the affidavits upon which the defendants rested and upon which summary judgment was granted, are false, because their own specifications sheets prove the opposite.

The Federal Circuit affirmed without reviewing any of the details of the specification sheets. Instead, the appeals court held that the defendants' burden to prove that the cartridges sold by the defendants prior to petitioner's invention date anticipated the '331 patent was satisfied by petitioner's allegation that the currently produced cartridges infringe the '331 patent. *Vanmoor v. Wal-Mart Stores, Inc.*, 201 F.3d 1363 (Fed. Cir. 2000). The appeals court held that the defendants had satisfied the test in *Pfaff v. Wells Electronics, Inc.* for the on-sale bar and that the '331 was invalid under Section 102(b).

REASONS FOR GRANTING THE PETITION

The case is of great importance for patentees. The rule announced below denigrates the statutory presumption of validity of a patent, 35 U.S.C. § 282. The decision below proffers a simple formula for defeating a patent without trial and without proper evidentiary support. A patentee can easily lose his patent to summary judgment, where the infringer (falsely) introduces affidavits of interested persons claiming prior use and sale. The rule, unless reversed by this Court, would enable an infringer to prove a patent invalid based on prior use by simply stating that the current product remains unchanged since prior to the invention date. The defendant would not be required to show that the products made and sold prior to the invention did indeed anticipate the *claimed invention*, because that element now would already have been satisfied at the moment the patentee filed his complaint. In sum, patent claims that were issued by the United States after having been subjected to rigorous examination and

prosecuction before the patent examiner could, according to the rule announced in the case below, defeated and declared invalid on the basis of only general averments and without reviewing any details of the claims.

The decision below was erroneously based on the on-sale bar test announced by this Court in *Pfaff*, which deals with a situation in which the patentee himself disclosed his invention and then waited more than twelve months before he filed a patent application, i.e., the inventor violated the one-year grace period defined in Section 102(b). This "on-sale bar," where an inventor loses his right to patent the invention if he waits too long before he applies for a patent and the rule of *Pfaff* are entirely misplaced in the context at hand. Since the Federal Circuit is the only appeals court in patent cases, 28 U.S.C. § 1295(a)(1), this incorrect and misleading application of the *Pfaff* test may become the rule that will be applied by the district courts in the anticipation context where a patent is invalidated based on acts by others than the inventor under Section 102(a).

A. The Fact Evidence

The '331 patent was held invalid under Section 102(b) as anticipated by pre-invention sales by defendants. The underlying evidence consisted of the affidavits of two Sonoco employees and shareholders, and corroborating papers including technical drawings and specifications. The affidavits and the supporting technical drawings from the pre-critical date show a *larger* diameter for the plungers than the inner diameter of the caulking cartridges. That prior art was described in detail by Vanmoor in the introduction to his patent specification, and he improved upon the prior art by reducing the size of the plunger so as to release the built-up pressure to prevent afterflow. In other words, the improvement for which the '331 patent issued deals with the *opposite* relationship, namely, a smaller diameter for the

plunger than for the cartridge. Claim 1 of the patent is representative:

> the backwall having a diameter less than the inner diameter of the tubular body and defining a substantially contact-free spacing distance between the inner wall surface and a periphery of the backwall such that the backwall moves backwardly away from the forward end of the tubular body when a pressure inside the chamber is greater than a pressure outside the chamber.

U.S. Patent No. 5,582,331 at col. 5-6, claim 1.

This discrepancy between the patent and the repondents' evidence was not taken in consideration; instead, the Federal Circuit held that the anticipation was proved by petitioner himself when he claimed that defendants' cartridges infringed his patent, *Vanmoor* at 1340, and defendants averred that they had not made any changes in the production of the infringing products since 1991 and prior to petitioner's invention. The specifications in fact prove the defendants' other averments wrong and aid Vanmoor's position that changes were indeed made by defendants.

The patent infringement suit brought by petitioner claims that currently produced products infringe most claims of the '331 patent. A product produced according to the pre-critical date drawings and specifications would *not* infringe. The accused products have different specifications than the prior art specifications presented by the defendants and Sonoco's statement that they did not make any changes is false. The affidavits, therefore, are false. Summary judgment cannot be granted, as a matter of law, where such important questions of material fact are in dispute.

B. The Fact Evidence Must Not be Disregarded in the Summary Judgment Context When it Contradicts the Defendants' Affidavits of Prior Sale and Use

The Federal Circuit treats the question as to whether or not a product was on sale prior to a defined critical date as a question of law, *Ferag AG v. Quipp Inc.*, 45 F.3d 1562 (Fed. Cir. 1995), which is reviewed *de novo* on appeal. The underlying fact evidence is reviewed for clear error, id. at 1566. This was not done in the case below, and the appeals court disregarded the underlying specifications in their entirety. Instead, the Federal Circuit accepted, without review, the factual evidence upon which summary judgment was granted. The non-review was predicated on the argument that the petitioner himself satisfied the defendants' burden of proving the fact that the '331 patent was anticipated by the accused cartridges. *Vanmoor*, at 1367. The argument, however, is essentially a boot-strapping argument and is logically erroneous. The factual evidence presented by petitioner repeatedly supports the contention that there must exist a difference between the "prior art" drawings and specifications, on the one hand, and the cartridges as they are currently manufactured. This difference, as a matter of law, prevents a conclusion that summary judgment is warranted.

According to Fed. R. Civ. P. 56(e), the nonmoving party must come forward, in response to a motion for summary judgment which is supported by affidavits and corroborating evidence, with specific facts showing that there exists a genuine issue for trial. *See Matsushita Elec. Industrial Co. v. Zenith Radio Corp.*, 475 U.S. 574 (1986). It necessarily follows that in a situation in which the evidence proffered in support of the summary judgment motion is inherently flawed and is internally inconsistent, however, that requirement is inherently satisfied. The issue of material fact which prevents summary judgment is in this case inherent in the allegedly corroborating evidence.

The drawings and specifications introduced by Sonoco show a cartridge tube with an inner diameter of 1.849 ± 0.007 inches and an outer diameter of the plunger that is greater. The detailed information shows an outer diameter which are substantially greater than the inner diameter of the tube. If the drawings and specifications are reviewed for content, the claimed improvement of the '331 patent is not anticipated because the claims state that the plunger have "a diameter less than the inner diameter of the tubular body." '331 patent, claim 1.

The factual inconsistencies among the affidavits and declarants raise a question of fact, which places grave doubt on the propriety of summary disposition. *See Celotex Corp. v. Catrett*, 477 U.S. 317 (1986). Moreover, because this is a patent case, the evidence in the form of affidavits should be taken with utmost suspicion. *See Sartor v. Arkansas Natural Gas Corp.*, 321 U.S. 620 (1944)("In patent cases, questions by affidavit is disfavored . . . . Trial by document is an inadequate substitute for trial with witnesses, who are subject to examination and cross-examination in the presence of the decision-maker." *Id.* at 628).

Section 282 of the Patent Act, *supra*, assigns to each patent issued by the Commissioner for Patents a presumption of validity. That presumption of validity places a burden on one who attacks the patent. *Radio Corp. of America v. Radio Eng'g Labs., Inc.*, 293 U.S. 1 (1934) (stating that "an infringer who assails the validity of a patent fair upon its face bears a heavy burden of persuasion, and fails unless his evidence has more than a dubious preponderance." Id. at 6). According to the decision below, that burden is lifted from the attacker when the patentee complains of an infringement. It is respectfully urged that the affirmation on appeal, which shifted a substantial burden of proof from petitioner to defendants and which held that the underlying evidence could be entirely disregarded, is clearly erroneous. This Court must be "left with a definite and firm conviction that a

mistake has been committed." *United States v. United States Gypsum Co.*, 333 U.S. 364, 395 (1948). At the very least, the evidence is so inconsistent that it prohibits the grant of summary judgment. Fed. R. Civ. P. 56. *See also Matsushita*, 475 U.S. 574 (holding that summary judgment should not have been reversed where court relied on evidence that was irrelevant to the pivotal issue at hand).

If this Court rejects the shortcut proffered by the Federal Circuit below, then the underlying evidence of prior use and sale must be reviewed: As noted above, the evidence does not show the claimed invention. In addition, the already shaky probative value of the defendants' affidavits is further weakened by the fact that despite their assertion that they sold millions of the cartridge/plunger combinations prior to the critical date, they did not produce even a single one of those combinations into evidence. Also, even though the agreement between petitioner and respondent Sonoco stipulated that each party would inform the other if they were already in the possession of certain information, the defendants rely heavily on the affidavits that say they were in the possession of the invention, yet they did not inform respondent of these facts when their dealings were still at arms length. Instead, the defendants rely only on dubious and internally inconsistent (see *supra*) affidavits and supporting materials to cloud the issues. The clear existence of a substantial issue of probative fact makes the case simply not amenable to summary disposition. This contention, of course, is only correct if the new rule announced by the appeals court below – the defendants' burden of proving prior use and sale could be satisfied by the patentee's allegation of infringement – is rejected by this Court.

C. The Presumption of Validity Attaches to Each Claim Individually

The congressional mandate that each claim of a patent be independently valid is outlined in Section 282 (see *supra*).

The courts must not, as a matter of statutory law, disregard the claims and their respective limitations. *See Panduit Corp. v. Dennison Manufacturing Co.*, 810 F.2d 1561 (Fed. Cir. 1987) (on remand from this Court's decision in *Dennison Manufacturing Co. v. Panduit Corp.*, 475 U.S. 809 (1986)).

The Federal Circuit has established a rule in this context, according to which the jurisdiction of the trial court summarily reaches all of the claims at issue, i.e., those claims which the patentee asserts are infringed and those claims which have been specifically attacked as invalid. *See Stearns v. Beckman Instruments, Inc.*, 737 F.2d 1565 (Fed. Cir. 1984) (holding that "when patentee asserts infringement of only claims 8 and 9 and defendant does not counterclaim for invalidity of other claims, invalidity determination applies only to claims 8 and 9, and other patent claims remain presumably valid under 35 U.S.C.S. § 282." *Id.* At 1570). Further, the presumption of validity can be overcome only with clear and convincing evidence. *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350 (Fed. Cir. 1984); *Woodland Trust v. Flowertree Nursery Inc.*, 148 F.3d 1368 (Fed. Cir. 1998)(discussing the background of the "clear and convincing" standard and explaining the evolution from the "clear, satisfactory, and beyond a reasonable doubt" standard in *Barbed Wire Patent Case*, 143 U.S. 275 (1892), through the "clear and satisfactory" standard in *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 261 U.S. 45 (1923), and the discussion in *Radio Corp. of America v. Radio Eng'g Labs., Inc.*, 293 U.S. 1 (1934) which dealt with the burden placed on an infringer who attacks the validity of a patent).

None of the specific features of the claims of the '331 patent were reviewed by the district court or the appeals court. This omission is particularly disturbing in light of the otherwise clear prescription by the Federal Circuit that "[t]he first step of an anticipation analysis is claim construction." *Helifix Limited v. Block-Lok, Ltd.*, 208 F.3d 1339 (Fed. Cir.

2000)(decided after the case at hand by a different panel). The next requirement is a "comparison of the construed claim to the prior art." *Id.* at 1342. Since this is a question of "anticipation" under Section 102(a) and not a question of a loss-of-right on-sale bar under Section 102(b), the omission of these steps is particularly egregious and warrants a reversal.

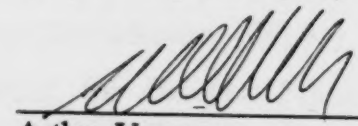
The Federal Circuit's interpretation of Section 282 and the rule followed in the case below, *Vanmoor*, 201 F.3d 1363, affords the district courts a power that violates the letter and the spirit of Section 282, namely a power to sweepingly invalidate a patent without separately and individually invalidating each of the claims.

According to the rule below, a substantial portion of the patent infringer's burden of persuasion to overcome the statutory presumption of validity is carried by the patentee himself who complains that his patent claims are infringed. This Court should grant the instant petition so as to assure that this newly announced standard cannot become the rule of law in patent infringement cases where the patent is attacked as being invalid for anticipation under Section 102.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,



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APPENDIX A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 97-6907-CIV-DIMITROULEAS

ARTHUR VANMOOR, formerly known as ARTHUR VANMOERKERKEN,

Plaintiff,

vs.

WAL-MART STORES, INC., et al.,

Defendants.

---/

OMNIBUS ORDER GRANTING FINAL SUMMARY JUDGMENT AND FINAL ORDER OF DISMISSAL

THIS CAUSE is before the Court upon the following motions:

1. Defendant's Motion for Summary Judgment [DE 70];

2. Plaintiff's Motion to Amend Complaint [DE 89]

3. Plaintiff's Motion for Reference [DE 91]

4. Plaintiff's Motion for Delayed Filing of Concise Statement of Facts as to which there is Material Issue to be Tried [DE 96]

5. Plaintiff's Motion to Reschedule Status Conference [DE 101]

6. Plaintiff's Motion for Status Conference [DE 112]; and

7. Plaintiff's Motion to Open Discovery [DE 116].

The Court has carefully considered the motions and is otherwise fully advised in the premises.

I. BACKGROUND

On December 10, 1996, United States Patent No. 5,582,331, entitled Caulking Gun and Cartridge with Afterflow Prevention was issued to the Plaintiff, Arthur Vanmoor, in his former name Arthur Vanmoerkerken. Vanmoor filed the present action against the various defendants alleging they are selling products which infringe upon his patent.

On July 27, 1998, Vanmoor filed his original complaint against the defendants, WalMart Stores, Inc., Builders Square, Inc., Home Depot USA, Inc., and Red Devil, Inc. On October 1, 1997, the Court entered an Order permitting the Glidden Company to intervene as an additional defendant in the present action. On April 24, 1999, Vanmoor filed an Amended Complaint adding the defendants, Federal Packaging Corporation ("Federal") and Sonoco Products Company ("Sonoco"), and asserting an additional claim against these two additional defendants for misappropriation of trade secrets.

The Defendants have filed the present motion for summary judgment asserting the following arguments: (1) the products which allegedly infringe upon Vanmoor's patent were actually on sale and in public use in this country before September 13, 1994, which is one year before Vanmoor's application for the subject patent; and (2) the products at issue were on sale and in use prior to the alleged disclosure of trade secrets by Vanmoor to the defendants, Federal and Sonoco. Vanmoor has responded to the motion for summary judgement essentially asserting that the Defendants have

failed to prove the prior sale and public use of the allegedly infringing products.

Finally, Vanmoor has also filed a motion to amend to add a count for false patent marking pursuant to 35 U.S.C. §292. The Defendants object to the motion to amend asserting the amendment is untimely and futile.

II. DISCUSSION

A. Motion for Leave to Amend

Rule 15(a) of the Federal Rules of Civil Procedures provides that a party may amend the party's pleading "by leave of court or by written consent of the adverse party" and that "leave shall be freely given when justice so requires." In construing Rule 15(a), the Supreme Court has held that

> In the absence of any apparent or declared reason- such as undue delay, bad faith, or dilatory motive on the part of the movant, repeated failure to cure deficiencies by amendments previously allowed, undue prejudice to the opposing party by virtue of the allowance of the amendment, etc. - the leave sought should, as the rules require, be "freely given."

Foman v Davis, 371 U.S. 178, 182 (1962).

In the present case, Vanmoor seeks to amend his complaint to add a claim for false patent marking pursuant to 35 U.S.C. §292. Specifically, Vanmoor alleges that Sonoco's products contain patent numbers which have either expired or do not cover the products. Vanmoor seeks an injunction against the Defendant Sonoco and treble damages in the amount of $26,208,000.00 for the false marking, one-half to be paid to Vanmoor and one-half to be paid to the United States Treasury. Sec 35 U.S.C. §292(b).

The Defendants have responded that the motion to amend is untimely and the additional claim is without merit. Moreover, the Defendants argue that the additional claim only pertains to the Defendant Sonoco. Vanmoor responds that its delay in seeking to amend its false patent marking claim was due to his late discovery of the false marking and that he should be permitted to proceed with discovery on the claim.

At the outset, the Court notes that the motion to amend is untimely because the motion to amend was filed on July 17, 1998, more than two months after the deadline for amending his complaint. Moreover, while the Court agrees with Vanmoor that he only discovered the potential claim after the deadline for amending his complaint, the Court notes that the additional false patent marking claim are entirely independent from the claims asserted in Vanmoor's amended complaint. In order to establish a false patent marking claim, Vanmoor must establish, among other things, that Sonoco placed such alleged expired Patent numbers on its products "for the purpose of deceiving the public." Arcadia Machine & Tool, Inc., v. Strum, Ruger & Company, Inc., 786 F.2d 1124, 1125 (Fed Cir. 1986). As noted in Vanmoor's response, he would need additional discovery in order to establish his claim. However, the claims raised in the amended complaint are ripe and ready for adjudication. Accordingly, the Court will DENY Vanmoor's motion for leave to amend his complaint.

B. Summary Judgment Standard

The Court may grant summary judgement "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed.R.Civ.P. 56(c). The stringent burden of

establishing the absence of a genuine issue of material fact lies with the moving party. Celotex Corp. v. Catrett, 477 U.S. 317, 323(1986). The Court should not grant summary judgement unless it is clear that a trial is unnecessary, Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 255 (1986), and any doubts in this regard should he resolved against the moving party, Adickes v. S.H.Kress & Co., 398 U.S. 144, 157(1970).

The movant "bears the initial responsibility of informing the district court of the basis for its motion, and identifying those portions of [the record] which it believes demonstrate the absence of a genuine issue of material fact." Celotex Corp., 77 U.S. at 323. To discharge this burden, the movant must point out to the Court that there is an absence of evidence to support the nonmoving party's case. Id. at 325.

After the movant has met its burden under Rule 56(c), the burden of production shifts and the nonmoving party "must do more than simply show that there is some metaphysical doubt as to the material facts." Matsushita Electronic Industrial Co. v. Zenith Radio Corp., 475 U.S. 574, 586 (1986). According to the plain language of Fed.R.Civ.P. 56(c), the non-moving party "may not rest upon the mere allegations or denials of the adverse party's pleadings," but instead must come forward with "specific facts showing that there is a genuine issue for trial." Fed.R.Civ.P. 56(c); Matsushita, 475 U.S. at 587.

Essentially, so long as the non-moving party has had an ample opportunity to conduct discovery, it must come forward with affirmative evidence to support its claim. Anderson, 477 U.S. at 257. "A mere 'scintilla' of evidence supporting the opposing party's position will not suffice; there must be a sufficient showing that the jury could reasonably find for that party." Walker v. Darby, 911 F.2d 1573, 1577 (11th Cir. 1990). If the evidence advanced by the

non-moving party "is merely colorable, or is not significantly probative, then summary judgement may be granted." Anderson, 477 U.S. 242, 249-50.

C. Prior Use

Section 102(b) of the Patent Act provides that no person is entitled to patent an "invention" that has been "in public use" or "on sale" in the United States more than one year before filing a patent application. 35 U.S.C. §102(b); Pfaff v. Wells Electronics, Inc., 119 S.Ct 304, 307 (1999). The date preceding the actual patent application filing by one year is commonly referred to as the "critical date." J.A. Laporte, Inc. v. Norfolk Dredging Co., 787 F.2d 1577, 1581 (Fed. Cir. 1986).

An invention is considered "in public use where there is any use of the claimed invention by a person other than the inventor who is under no limitation, restriction, or obligation of secrecy to the inventor. For purposes of defeating a patent application, a sale or public use prior to the critical date may be made by either the person applying for the patent or by a third party unrelated to the inventor. Baxter Int'l, Inc. v. Cobe Laboratories, Inc., 88 F.3d 1054, 1058 (Fed. Cir. 1996); J.A. Laporte, 787 F.2d at 1583. The party challenging validity must prove its case by clear and convincing evidence. Baxter Int'l, 88 F.3d at 1057. The determination of whether an invention was on sale or in public use prior to the critical date are questions of law. Baxter Int'l, 88 F.3d at 1058.

In the present case, Vanmoor filed his patent application on September 13, 1995. Therefore, if the invention at issue was in public use or on sale prior to the critical date, September 13, 1994, Vanmoor's patent is invalid.

The Defendants argue that Vanmoor's patent is invalid because Sonoco, the manufacturer of the products which allegedly infringe upon Vanmoor's patent, was already

manufacturing and selling these products with the same product specifications well before September 13, 1994. In support of their argument, the Defendants submitted affidavits with various supporting documentation, including photographs and documents showing the product specifications both prior to September 13, 1994 and at the time the allegedly infringing products were manufactured.

In response, Vanmoor argues that there is no proof of a single caulking cartridge sold to a consumer prior to the critical date of September 13, 1994. Vanmoor asserts that the Defendants have not submitted actual samples of the products as they existed in public use prior to the critical date. Vanmoor further alleges that the products at issue may have been modified sufficiently over time so that they did not infringe upon the patents prior to the critical date but did infringe upon the patent subsequent to the critical date. Finally, Vanmoor has submitted only one affidavit, from Kevin Paul Ross, a molds expert, who essentially states that the actual products manufactured from the Defendants' molds may have varied from the drawings. The expert concludes that the actual dimensions of the products can only be determined by micro-measurements of the products itself.

The Court finds that Vanmoor's response consists of mere conclusory allegations, which are insufficient to defeat a motion for summary judgment. Moreover, Vanmoor has failed to submit any evidence to raise a genuine issue of material fact that the subject products were not in public use and for sale prior to the critical date. Because the Court finds that the Defendants have established by clear and convincing evidence that the allegedly infringing products were for sale and in public use prior than the critical date of September 13, 1994, tile Defendants are entitled to summary judgement on the patent infringement claim.

D. Misappropriation of Trade Secrets

The Defendants, Federal and Sonoco, argue that they have not used or disclosed any information received from Vanmoor pursuant to confidentiality agreements entered into by the parties. In support of their argument, the Defendants note that the confidentiality agreements were entered into in October and November 1994, and the products at issue were manufactured with the same specifications as existed prior to October 1994. As with the patent infringement claims, Vanmoor has not presented any evidence to create a genuine issue of material fact as to the trade misappropriation claim, and Vanmoor's unsupported conclusory allegations are insufficient to establish any genuine issue of material fact. Therefore, the Defendants are entitled to summary judgement on the trade misappropriation claim.[1]

III. CONCLUSION

Accordingly, after due consideration, it is

ORDERED AND ADJUDGED as follows:

1. Defendant's Motion for Summary Judgement [DE 70] is hereby **GRANTED** and Judgment is hereby entered in favor of the Defendants and against the Plaintiff, Arthur Vanmoor, and the Plaintiff shall take nothing from this action;

2. Plaintiff's Motion to Amend Complaint [DE 89] is hereby **DENIED**;

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[1] Vanmoor also cites to Woodland Trust v. Flowertree Nursery Inc., 148 F.3d 1368 (Fed. Cir. (Fla.) 1998), wherein the court held that oral evidence of prior use, standing alone without corroboration, was not sufficient to invalidate a patent on the ground of prior knowledge and use under section 102(a). However, Woodland Trust is distinguishable from the present action because the affidavits in the present action in support of the Defendants' motion for summary judgement are corroborated by supporting documentation including drawings of the allegedly infringing products.

3. Plaintiff's Motion for Reference [DE 91] is hereby **DENIED**;

4. Plaintiff's Motion for Delayed Filing of Concise Statement of Facts as to which there is Material Issue to be Tried [DE 96] is hereby **GRANTED**;

5. Plaintiff's Motion to Reschedule Status Conference [DE 101] is hereby **DENIED**;

6. Plaintiff's Motion for Status Conference [DE 112] is hereby **DENIED**;

7. Plaintiff's Motion to Open Discovery [DE 116] is hereby **DENIED**;

8. All other pending motions are **DENIED** as moot; and

9. This case is closed.

DONE AND ORDERED in Chambers at Fort Lauderdale, Broward County, Florida, this 15th day of December, 1998.

WILLIAM P. DIMITROULEAS
United States District Judge

APPENDIX B[1]

ARTHUR VANMOOR,
Plaintiff-Appellant,
v.
WAL-MART STORES, INC., Defendant, and BUILDER'S SQUARE, INC., Defendant-Appellee, and HOME DEPOT USA, INC. (doing business as Home Depot) and RED DEVIL, INC., Defendants-Appellees, and SONOCO PRODUCTS COMPANY, Defendant-Appellee, and FEDERAL PACKAGING CORPORATION, Defendant-Appellee, and THE GLIDDEN COMPANY, Defendant-Appellee.

99-1190, 99-1256

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

January 10, 2000, Decided

Before MAYER, Chief Judge, ARCHER, Senior Circuit Judge, and RADER, Circuit Judge.

MAYER, Chief Judge.

Arthur Vanmoor appeals the judgment of the United States District Court for the Southern District of Florida, holding on summary judgment that United States Patent No. 5,582,331 is invalid under 35 U.S.C. § 102(b) and that Vanmoor's trade secrets had not been misappropriated. Vanmoor v. Wal-Mart, Inc., 1998 U.S. Dist. LEXIS 22694,

[1] Reprinted from Lexis-Nexis Database, with star pagination referring to 201 F.3d 1363 et seq.

Civ. Action No. 97-CIV-6907 (S.D.Fla. Dec. 15, 1998) (final judgment order).[2] Because we agree with the district court that Vanmoor has not raised a genuine issue as to any material fact and that Wal-Mart Stores, Inc. and its co-appellees are entitled to judgment as a matter of law, we affirm.

Background

Vanmoor is the owner of U.S. Patent No. 5,582,331, entitled "Caulking Gun and Cartridge with Afterflow Prevention" (" '331 patent"). The '331 patent is directed to a construction for a cartridge used to dispense caulking compound. The claims of the '331 patent recite a cartridge comprising a tubular body having a forward end with a dispensing opening and a movable backwall (commonly known as a plunger) disposed within the tubular body. The backwall is defined as having a diameter chosen such that it moves backwardly away from the forward end of the tubular body when the pressure within the chamber bounded by the tubular body, forward end, and backwall is greater than the pressure outside the chamber. The '331 patent **[*1365]** issued on December 10, 1996, from an application filed on September 13, 1995.

Vanmoor initially filed a complaint in the district court on July 28, 1997 alleging that major home improvement retailers, Wal-Mart Stores, Inc., Builder's Square, Inc., and Home Depot U.S.A., Inc., together with Red Devil, Inc., a leading manufacturer of caulking products, were infringing the '331 patent. As the supplier of several of the accused products to Wal-Mart, the Glidden Company was permitted to intervene as an additional defendant. Each of the

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[2] After the district court granted summary judgment, Vanmoor moved for recusal based on a search warrant issued by the district judge against Vanmoor in a different case when he was a state judge. Because his motion was untimely and is without merit, we will not address it further.

defendants (collectively "Wal-Mart") answered the complaint with a denial of all material allegations and interposed affirmative defenses that the '331 patent was invalid and unenforceable. Additionally, Wal-Mart asserted counterclaims, including a request for declaratory judgment that the '331 patent is invalid.

Vanmoor amended his complaint on April 22, 1998 to add two new defendants, Federal Packaging Corporation and Sonoco Products Company ("manufacturers"), the two major manufacturers in the United States of tubes and plungers used for caulking cartridges. Vanmoor added the manufacturers to the patent infringement claim and asserted a new trade secret misappropriation claim against them both. The manufacturers denied all material allegations and sought a declaratory judgment that the '331 patent is invalid.

Wal-Mart and the manufacturers jointly moved for summary judgment on both the patent infringement and trade secret misappropriation claims. They argued that the '331 patent is invalid as a matter of law because certain of the accused caulking cartridges were identical to cartridges manufactured, sold, and used prior to the critical date for the '331 patent. In addition, the manufacturers argued that they had received no disclosure of the alleged trade secrets before Vanmoor claimed those concepts had been incorporated into their products and that there was no change in the construction of the cartridges after they received the disclosure of Vanmoor's trade secrets. The motion was supported by affidavits from two Sonoco employees and documentary evidence showing that the manufacturing specifications, component dimensions, and methods of operation of at least three of the accused cartridges were identical to those manufactured, used, and sold prior to the critical date. Vanmoor responded by asserting that Wal-Mart and the manufacturers failed to prove the prior sale and public use of the allegedly infringing products and submitted a single affidavit from a molds expert who stated that the

actual products manufactured may have varied from the drawings.

The district court granted Wal-Mart's motion for summary judgment of invalidity, concluding that Vanmoor had not raised a genuine issue of material fact that the subject products were not on sale prior to the critical date and that the defendants had shown by clear and convincing evidence that they were for sale and in public use prior to the critical date. The district court also granted summary judgment that the manufacturers had not misappropriated Vanmoor's trade secrets based on Vanmoor's failure to present anything beyond conclusory allegations that the manufacturers had violated their confidentiality agreements with Vanmoor. This appeal followed.

Discussion

The issue is whether the district court erred in granting Wal-Mart's and the manufacturers' motion for summary judgment of invalidity and non-misappropriation of trade secrets. We review a district court's grant of summary judgment de novo. Petrolite Corp. v. Baker Hughes Inc., 96 F.3d 1423, 1425, 40 U.S.P.Q.2D (BNA) 1201, 1203 (Fed. Cir. 1996) (citing Meyers v. Asics Corp., 974 F.2d 1304, 1306, 24 U.S.P.Q.2D (BNA) 1036, 1037 (Fed. Cir. 1992)). Summary judgment is appropriate when there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. Id. (citing Transmatic, Inc. v. Gulton Indus., Inc., 53 F.3d 1270, 1274, **[*1366]** 35 U.S.P.Q.2D (BNA) 1035, 1038 (Fed. Cir. 1995)).

On-Sale Bar

"The ultimate determination that a product was placed on sale under [35 U.S.C. § 102(b) (1994)] is a question of law, based on underlying facts." Ferag AG v. Quipp Inc., 45 F.3d 1562, 1566, 33 U.S.P.Q.2D (BNA) 1512, 1514-15 (Fed. Cir. 1995). Thus, this court reviews the ultimate determination without deference, but subsidiary fact findings, if there are

any, for clear error. See id. The Supreme Court recently clarified that a claimed invention is considered to be on sale within the meaning of Section 102(b) if, more than one year before the filing date to which the claim is entitled (the critical date), two conditions are satisfied. First, the product must be the subject of a commercial offer for sale. See Pfaff v. Wells Electronics, Inc., 525 U.S. 55, 67, 119 S. Ct. 304, 311, 142 L. Ed. 2d 261 (1998). Second, the invention must be ready for patenting. See id., 119 S. Ct. at 312. The ready for patenting requirement represented a departure from our previously articulated "totality of the circumstances" test. See Weatherchem Corp. v. J.L. Clark, Inc., 163 F.3d 1326, 1333, 49 U.S.P.Q.2D (BNA) 1001, 1006 (Fed. Cir. 1998) (citing pre-Pfaff cases). One way to satisfy this newly articulated requirement is by proof of reduction to practice. See Pfaff, 525 U.S. at 67, 119 S. Ct. at 312.

Wal-Mart and the manufacturers argue and the district court held that the '331 patent is invalid because Wal-Mart placed the accused caulking cartridges on sale prior to the critical date. Vanmoor makes no argument that the pre-critical date sales were for a non-commercial purpose. He does, however, argue that summary judgment was inappropriate because Wal-Mart and the manufacturers did not meet their burden of proving by clear and convincing evidence that the cartridges that were the subject of the pre-critical date sales anticipated the claims of the '331 patent. This appeal does not come to us as a "typical case where the patentee has placed some device on sale prior to the critical date and the accused infringer must demonstrate that this device actually embodied or rendered obvious the patented invention." Evans Cooling Sys. Inc. v. General Motors Corp., 125 F.3d 1448, 1451, 44 U.S.P.Q.2D (BNA) 1037, 1039-40 (Fed. Cir. 1997). As was the case in Evans Cooling, the entire basis of the patent infringement claim is Vanmoor's (the patentee's) contention that the accused cartridges infringe the '331 patent. See id. Wal-Mart and the manufacturers denied that the accused cartridges infringe but

have, "by conceding infringement for purposes of the summary judgment motion and [their] on sale defense, properly pled in the alternative." Id. (citing Fed. R. Civ. P. 8(e) (1997)). Although Wal-Mart and the manufacturers bore the burden of proving that the cartridges that were the subject of the pre-critical date sales anticipated the '331 patent, that burden was satisfied by Vanmoor's allegation that the accused cartridges infringe the '331 patent. See id. (holding patent invalid under on-sale bar where accused product was offered for sale prior to the critical date of the patented invention).

Vanmoor also erroneously argues that the accused cartridges were not ready for patenting because no single piece of evidence presented at trial would enable a patent attorney to draft the '331 patent. This is not the test under Pfaff, which states that the ready for patenting "condition may be satisfied in at least two ways: by proof of reduction to practice before the critical date; or by proof that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention." 525 U.S. at 67-68, 119 S. Ct. at 312. Here the pre-critical date sales were of completed cartridges made to specifications that remain unchanged to the present day, showing that any invention embodied in the accused cartridges was reduced to practice before the critical **[*1367]** date. The Pfaff ready for patenting condition is also satisfied because the specification drawings, available prior to the critical date, were actually used to produce the accused cartridges. Because Wal-Mart and the manufacturers met their burden to prove both of the Pfaff conditions for application of the on-sale bar, we agree that the '331 patent is invalid under Section 102(b).

Trade Secret Misappropriation

The manufacturers argue that they have not used or disclosed any information received from Vanmoor pursuant

to confidentiality agreements they entered into with Vanmoor. Their argument is supported by documentary evidence that the confidentiality agreements were made in October and November 1994, and that the accused products have been manufactured to specifications that have remained unchanged since before October 1994. Vanmoor has proffered no evidence in support of his conclusory allegations of trade secret misappropriation and has thus failed to establish a genuine issue of material fact. The manufacturers are therefore entitled to judgment as a matter of law on the trade secret misappropriation claim.

Conclusion

Accordingly, the judgment of the United States District Court for the Southern District of Florida is affirmed.
AFFIRMED

APPENDIX C

ARTHUR VANMOOR, Plaintiff-Appellant,

v.

WAL-MART STORES, INC., Defendant, and BUILDER'S SQUARE, INC., Defendant-Appellee, and HOME DEPOT USA, INC. (doing business as Home Depot) and RED DEVIL, INC., Defendants-Appellees, and SONOCO PRODUCTS COMPANY, Defendant-Appellee, and FEDERAL PACKAGING CORPORATION, Defendant-Appellee, and THE GLIDDEN COMPANY, Defendant-Appellee.

99-1190, 99-1256

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

March 7, 2000, Decided

Before MAYER, Chief Judge, ARCHER, Senior Judge, and RADER, Circuit Judge.

ORDER

A petition for rehearing having been filed by the APPELLANT, and a response thereto having been invited by the court and filed by the APPELLEES,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, DENIED.

The mandate of the court will issue on March 14, 2000.

Dated: March 7, 2000